

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 INRE-00 NSCE-00 SSO-00 USIE-00 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 PRS-01 SP-02 AID-05

COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 H-01 L-02 /052 W
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O R 142240Z FEB 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC IMMEDIATE 9362

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SAN JOSE 0663

E.O. 11652: GDS

TAGS: PINT CS

SUBJECT: BUSINESSMEN CLOSE DOORS TO PROTEST CONSUMER BILL

REF: A-14

1. PRACTICALLY ALL COMMERCIAL AND BUSINESS ESTABLISHMENTS IN SAN JOSE AND ADJACENT CITIES ON THE CENTRAL PLATEAU CLOSED THEIR DOORS FEBRUARY 14 FROM 10-11 AM IN SYMBOLIC PROTEST AGAINST THE GOVERNMENT'S CONSUMER BILL WHICH PASSED FIRST DEBATE IN THE LEGISLATIVE ASSEMBLY ON FEBRUARY 13. THE BUSINESSMEN, MOSTLY RETAILERS BUT INCLUDING A WIDE CROSS SECTION FROM THE BUSINESS SECTOR, HAVE ORGANIZED THEMSELVES INTO A STEERING GROUP CALLED THE NATIONAL COMMISSION FOR THE DEFENSE OF FREE BUSINESS (COMISION NACIONAL DE DEFENSA DE LA LIBRE EMPRESA) TO CONTINUE TO CARRY THEIR PROTEST TO THE GOVERNMENT.

2. OPPOSITION TO THE BILL HAD BEEN GROWING GRADUALLY OVER THE PAST TEN DAYS OR SO, BUT THE UNEXPECTEDLY RAPID FIRST ASSEMBLY VOTE TOOK THE BUSINESSMEN BY SURPRISE AS
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THEY SAY THEY HADBEEN TOLD BY PRES. ODUBER THAT THE

BILL WOULD BE SENT BACK TO COMMISSION FOR FURTHER STUDY. THE SECOND AND THIRD DEBATE VOTE, WHICH NORMALLY QUICKLY FOLLOW THE FIRST AND MEAN THE BILL IS READY FOR THE PRESIDENT'S SIGNATURE, HAVE NOT BEEN HELD BUT ARE CURRENTLY SCHEDULED FOR EARLY NEXT WEEK. THE BUSINESSMEN, IN A PRESS RELEASE DISTRIBUTED DURING THE 1-HOUR CLOSURE, DEMANDED THAT THE BILL BE WITHDRAWN FOR FUNDAMENTAL MODIFICATIONS THAT WILL KEEP THE STATE OUT OF CLOSE REGULATION OF BUSINESS.

3. THERE WAS SOME SPECULATION THAT THE MANY PRIVATE BUS COMPANIES WOULD JOIN IN THE STOPPAGE TO PROTEST THE GOVERNMENT'S REFUSAL TO RAISE THE STANDARD BUS FARE BY SIXTY CENTAVOS, BUT THIS ONLY OCCURRED IN SCATTERED OUTLYING AREAS. NEVERTHELESS, THE ALMOST COMPLETE SUCCESS OF THE 1-HOUR CLOSURE MASSIVELY DISRUPTED VEHICULAR TRAFFIC AND NORMAL CIRCULATION IN DOWNTOWN SAN JOSE AS FRIDAY SHOPPERS WERE FORCED FROM THE STORES INTO THE STREETS. THERE WAS LITTLE VIOLENCE, ALTHOUGH MANY CARS AND DRIVERS WERE HASSLED AS THEY TRIED TO MAKE THEIR WAY THROUGH THE CROWDS.

4. SOME PRESS ITEMS HAVE INDICATED THAT THE GOVERNMENT IS FIMULATING THE UNIONS, MAINLY THROUGH THE COMMUNIST CONFEDERATION (CGT) TO STAGE A DEMONSTRATION NEXT WEEK IN SUPPORT OF THE BILL. THE BUSINESSMEN, IF THEIR DEMANDS ARE NOT SATISFIED, ARE PLANNING A LONGER CLOSURE FOR NEXT WEEK AND HAVE REPORTEDLY THREATENED TO WITHDRAW THEIR MONEY FROM THE BANKS. AN UGLY CONFRONTATION IS NOW CLEARLY BUILDING UP WITH EMOTIONS HIGH ON BOTH SIDES.

5. EVENTS OF NEXT WEEK: THE ASSEMBLY DEBATES ON THE BILL, THE PLN'S HANDLING OF THE UNIONS; AND THE BUSINESSMEN'S COURSE OF ACTION MAY PROVIDE THIS GOCR WITH ITS MOST SEVERE TEST SINCE ASSUMING POWER.
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